

Message Text

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PAGE 01 BONN 02973 161633Z
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00
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R 161619Z FEB 78
FM AMEMBASSY BONN
TO SECSTATE WASHDC 5915
INFO AMEMBASSY PARIS
AMEMBASSY THE HAGUE
AMEMBASSY MADRID
AMEMBASSY LONDON
AMEMBASSY BRUSSELS

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BRUSSELS FOR FAA

E.O. 11652: N/A
TAGS: EAIR, GW
SUBJECT: CIVAIR: AIRBUS SALE TO EASTERN AIR LINES

REF: 77 BONN 10945

1. IN COURSE OF TOUR D'HORIZON FEBRUARY 15 BETWEEN
DR. SCHOMERUS OF FEDERAL MINISTRY OF ECONOMICS AND
EMBOFF, SCHOMERUS DISCUSSED POSSIBLE PURCHASE OF
AIRBUS A-300 BY EASTERN AIR LINES. HE SAID HE
EXPECTED FINAL DECISION WITHIN THE NEXT EIGHT WEEKS
AND WAS CAUTIOUSLY OPTIMISTIC THAT THE SALE WOULD GO
THROUGH.

2. ACCORDING TO SCHOMERUS, EASTERN HAS BEEN VERY
SATISFIED WITH THE DISPATCH RELIABILITY OF THE A-300
AND WITH THE PRODUCT SUPPORT THAT AIRBUS INDUSTRIE
HAS PROVIDED. THE TWO SIDES ARE NOW DOWN TO HARD
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BARGAINING ON THE TERMS OF THE PURCHASE. BOEING AND
MCDONNELL-DOUGLAS ARE ALSO TALKING TO EASTERN WHICH
IS IN A POSITION TO HOLD OUT FOR A FAVORABLE DEAL.
AIRBUS INDUSTRIE PROBABLY WILL HAVE TO HELP FIND
FINANCING FOR EASTERN AND MIGHT HAVE TO TAKE SOME OF
EASTERN'S LOCKHEED 1011'S AS TRADE-INS.

3. SCHOMERUS SAID THAT THE FEDERAL GOVERNMENT HAD URGED AIRBUS INDUSTRIE TO AVOID ANY ACTION THAT COULD LEAD TO A USG ANTI-DUMPING PROCEDURE. THIS, HE FELT, PUT AIRBUS INDUSTRIE AT SOMETHING OF A DISADVANTAGE, BECAUSE THERE IS NOTHING TO STOP AMERICAN MANUFACTURERS FROM SELLING BELOW COST, SO LONG AS THEY DO IT IN AMERICA.

4. RECENT ARTICLES IN THE TRADE PRESS HAVE SUGGESTED THAT AMERICAN AIRLINES WILL BE HESITANT TO BUY THE AIRBUS IF A LEFT COALITION GOVERNMENT SHOULD TAKE OVER IN FRANCE. SCHOMERUS THOUGHT THERE WAS NO REASON TO BE CONCERNED ON THIS, BECAUSE THE AEROSPACE INDUSTRY IS SO IMPORTANT TO FRANCE THAT ANY FRENCH GOVERNMENT WILL FIND THEMSELVES FORCED TO FOLLOW THE SAME POLICIES ON AIRBUS THAT ARE PRESENTLY IN FORCE. HE THOUGHT THE NEGATIVE EFFECT IF ANY OF THE LEFTIST VICTORY WOULD BE SHORT-LIVED.
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Message Attributes

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Disposition Approved on Date:
Disposition Case Number: n/a
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